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SUPPLEMENT TO
REPORT NO.

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THIS IS UNEVALUATED INFORMATION

1. Austrian Communists have been trying to discern the reasons for their failure to win popular support and pull off a nation-wide general strike on 4 October in protest against the Fourth Wage and Price Agreement. It is now clear from the obvious disappointment of ranking Communists that many of the KPOe leaders expected to provoke a general strike which would force the Government to amend the wage and price law; some even entertained hopes of a KPOe coup d'etat. In fact Fritz NEUBAUER, a member of the Central Committee and executive secretary of the Central Strike Committee, urged the Party leadership in pre-strike conferences to attempt to arrest the federal ministers on the assumption that this measure would force the trade unions into the hands of the Party and might even lead to establishment of a Peoples' Democracy in the Soviet Zone of Occupation and subsequent partition of Austria. NEUBAUER's proposal was quashed by the Central Committee. (1)
2. Apart from certain differences among Party leaders regarding objectives of the strike, a majority of the Austrian Communists counted on Soviet promises of support if not actual intervention. For this reason and to insure close coordination with Soviet authorities, some days prior to 4 October the Central Committee assigned an unidentified Party representative to Soviet Headquarters in the Hotel Imperial in Vienna I to handle Party liaison for the duration of the strike. During this same period, Soviets in civilian clothing were in constant attendance at KPOe headquarters on Wasagasse in Vienna IX (U.S. Sector).
3. The fact remains, however, that despite these preparations the Soviets dealt a severe blow to Party plans on 3 October when USIA Headquarters announced that it would not compensate those USIA employees who took time from their jobs to participate in demonstrations during the week of 25 September. This announcement plus USIA Headquarters' last minute refusal to provide sufficient transportation to bring Werkschutz units from St. Poelten and Zistersdorf, Lower Austria, into Vienna virtually broke the Communists' strike program on 4 October. (2) By the evening of 4 October when reports from Styria and Upper Austria (British and U.S. Zones of Occupation) showed conclusively that workers in such major industrial enterprises as the United Iron and Steel works in Linz (VOEST) and Steyr Works in Steyr had rejected the strike appeal and that KPOe strike leaders

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CENTRAL INTELLIGENCE AGENCY

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In Lower Austria (Soviet Zone) had encountered unexpected resistance from USIA employees, Party leaders began to realize that they must bow out of the strike as gracefully and as quickly as possible.

4. On 5 October a few Werkschutz employees arrived in Vienna from the USIA-controlled J. M. Voith plant in St. Poelten and the Soviet-controlled Zistersdorf oil fields; the former took up positions in Vienna II and the latter in Vienna IV and X. Free Austrian Youth (FOeJ) action squads, which had been idle for a day and a half awaiting specific instructions from their superiors, finally went ahead on their own initiative, setting up barricades and blocking transportation in various sections of Vienna. By this time, however, some members of the Central Committee and lesser Party officials were determined to abandon the strike campaign and spoke out against these sporadic efforts to disrupt communications. As a result, considerable friction arose within the rank and file of the Party. For the next day or two most of the Communists were inclined to put the blame on the Party leadership which had issued and rescinded commands almost simultaneously; had failed to coordinate communications between KPOe Headquarters, the Central Strike Committee and the strike office in the International Sector; and above all had neglected to delegate appropriate responsibility for the execution of the strike program. A notable lack of coordination at the Party top levels was apparent in the experience of a member of the Central Committee in Linz (U.S. Zone). It seems that a member of the Central Committee went to Linz to rally strikers in the United Iron and Steel Works, only to find that they were extremely hostile because they had not received the financial support which the Committee had promised.
5. Internal dissension prevailed within the Party for a day or two, but many of these differences were resolved by 7 and 8 October and most of the Austrian Communists are now agreed that the responsibility for the strike fiasco lies directly in the hands of the Russians. Still genuinely surprised by their failure to capture popular support, Party leaders are rather subdued and penitent. They expect to lose an appreciable number of active supporters as well as sympathizers. Meanwhile unconfirmed rumors are now circulating to the effect that the Party will initiate new strikes on or about 5 December 1950. These strikes will be put over allegedly with assistance from the Soviets who will be in command of the International Sector during the month of December. Party optimists believe that the next attempt will bring more success, assuming that in the interim period the Austrian economy will have been weakened by seasonal lay offs, the rising cost of living and the hardships of winter conditions.

25X1(1) [] Comment: Ernst FISCHER and his clique probably vetoed NEUBAUER's proposal.

25X1 [] Comment: According to a report, [] dated 4 October 1950, NEUBAUER spoke at the Rathausplatz demonstration in Vienna on 4 October. On this occasion NEUBAUER urged the demonstrators to go armed to their factories and force their fellow workers to strike. Immediately following his speech the Vienna Criminal Court issued a warrant for NEUBAUER's arrest on the grounds that he had urged Vienna workers to resort to violence. []

25X1 [] reports that NEUBAUER has moved from his residence in Vienna XVI, Maroltingergasse 102 A, to the apartment of Karl ALTHANN, KPOe deputy in the Austrian Parliament, in Vienna XXV, (Soviet Sector) Feldgasse 65. NEUBAUER has also been dismissed from his post as secretary of the Building Workers' Union. It is reported that if the KPOe had been able to carry out its plans for a coup d'etat, NEUBAUER would have been given the position of Federal Minister of Public Works in the new Austrian Government.

25X1(2) [] Comment: Neither [] can explain why the Russians failed to support the Party or why they abandoned their plans to blockade the zonal demarcation lines.

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